

DEC 07 1999

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of)
) MUR 4646
Amy Robin Habie, *et al.*)

GENERAL COUNSEL'S REPORT

I. ACTIONS RECOMMENDED

Accept the attached conciliation agreements, approve the appropriate letters, and close the file.

II. INTRODUCTION

Pursuant to a complaint filed by one of the scheme's straw donors (Carol J. Lewis), the Federal Election Commission (the "Commission") found reason to believe (1) that Amy Robin Habie knowingly and willfully violated 2 U.S.C. §§ 441f and 441a(a)(1)(A) and (2) that Carol J. Lewis, Wallace Walker, Rhea Weil and Lawrence Herman violated 2 U.S.C. § 441f by knowingly allowing Habie to make contributions in their name. Following an investigation, the Commission also found reason to believe that Sonia Pinkus and Sue Sakolsky violated 2 U.S.C. § 441f by knowingly allowing Habie to use their names to make contributions.

The Commission determined to enter into conciliation with respondents Habie, Walker, Weil, Herman, Pinkus and Sakolsky (hereinafter referred to collectively as the "Habie respondents") prior to finding probable cause to believe, and approved separate

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conciliation agreements for each of these six respondents.¹ Specifically, the Commission approved a conciliation agreement with Habie

The Commission also approved agreements for Walker, Weil, Herman, Pinkus and Sakolsky

Having engaged in conciliation discussions with respondents, this Office now recommends accepting the attached conciliation agreements, approving the appropriate letters, and closing the file in this matter.

III. DISCUSSION OF PRE-PROBABLE CAUSE CONCILIATION

two signed conciliation agreements:

- (1) a conciliation agreement with complainant/respondent Lewis, *see* Attachment 1,² and
- (2) a "global agreement" with the Habie respondents, all of whom are represented by the same counsel. *See* Attachment 2.

¹

² Lewis submitted her civil penalty check along with the signed conciliation. Attachment 1, p. 4.

indication that Boies is the actual contributor behind this 441 f scheme. General Counsel Report dated February 9, 1999, p. 5.

Turning to the recipient candidate committees, the Commission has made no findings with respect to Friends of Jane Harman and Kennedy for Senate 2000.⁸

This Office recommends that upon closure of the matter, the Commission advise them of its reason to believe findings and conciliation agreements with respect to the contributions at issue, instruct the committees to disgorge the amount of the illegal funds to the Treasury, and explain that by doing so they can thereby avoid any need to reopen the matter as to them. *See, e.g.*, MUR 4235 (Alaska Interstate Construction, Inc.).

Although not a named respondent in this matter, *see, supra*, n. 8, this Office will similarly notify Kennedy for Senate 1994, which was the beneficiary of five illegal contributions totaling \$5,000. *See* Attachment 2, pp. 4-5. In sum, this Office recommends that the Commission accept the two attached conciliation agreements, approve the appropriate letters, and close the file.

⁸ As this Office indicated in a previous Report, though it received some of the reimbursed contributions at issue – which were made in 1995 and 1996 – Kennedy for Senate 1994 was not originally notified as a respondent. *Id* at p. 1, n.1. As the Commission did not find reason to believe that the other two candidate committees knowingly accepted prohibited contributions and no findings were anticipated, this Office has not notified Kennedy for Senate 1994 of the complaint.

IV. RECOMMENDATIONS

1. Accept the attached conciliation agreement with respondent Lewis.
2. Accept the attached conciliation agreement with respondents Habie, Walker, Weil, Herman, Pinkus and Sakolsky.
3. Approve the appropriate letters.
4. Close the file.

Lawrence M. Noble
General Counsel

December 7, 1999
Date

BY: Lois G. Lerner *JB*
Lois G. Lerner
Associate General Counsel

Attachments:

1. Conciliation Agreement with Carol J. Lewis (w/ photocopy of civil penalty check)
2. Conciliation Agreement with Amy Robin Habie, Wallace Walker, Rhea Weil, Lawrence Herman, Sonia Pinkus and Sue Sakolsky

Staff Assigned:

J. Michael Lehmann